

Notice of Annual General Meeting

Notice is hereby given that the 15th Annual General Meeting of **Roshan Packages Limited** (the "Company") will be held on Monday October 29, 2018 at 3 p.m. at Zainab Hall Nadia catering Company 6 Km Raiwind Road, Lahore to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the Chairman's Review Report, Reports of Directors and Auditors together with Audited Annual Separate and Consolidated Financial Statements for the year ended 30 June 2018.
2. To appoint Company's auditors and to fix their remuneration. The members are hereby notified that the Board and the Audit Committee have recommended the reappointment of M/s. KPMG Taseer Hadi & Co., Chartered Accountants as auditors of the Company.
3. To elect seven (07) Directors of the Company as fixed by the Board of Directors, for a term of three (3) years commencing from November 03, 2018 in accordance with the Section 159 of the Companies Act 2017. The following Directors are retiring and are eligible for re-election
 - a. Mr. Khalid Eijaz Qureshi
 - b. Mr. Tayyab Aijaz
 - c. Mr. Saadat Aijaz
 - d. Mr. Zaki Aijaz
 - e. Mr. Quasim Aijaz
 - f. Mr. Muhammad Naveed Tariq
 - g. Mr. Malik Asad Ali Khan

Special Business:

4. To approve, as recommended by the Directors, issue of bonus shares in proportion of two (2) Ordinary Share for every ten (10) Ordinary shares held by the members (i.e., @20%) by capitalization of a sum of Rs. 236,500,000 out of the share premium account.
5. To consider and approve the transactions carried out with related party during financial year ended 30 June, 2018 and to authorize the Chief Executive to approve the related parties' transactions to be carried out till the next Annual General Meeting.
6. To consider and approve the conversion of trade receivable from related party, Roshan Enterprises, into loan and advances in terms of Section 199 of the Companies Act, 2017.

A statement of material facts under Section 134 (3) and Section 166 (3) of the Companies Act, 2017 is annexed to the notice of meeting sent to the members.

Lahore

8 October 2018

BY ORDER OF THE BOARD



Company Secretary

Notes:**1. Book Closure:**

The Share Transfer Books of the Company will remain closed from October 22, 2018 to October 29, 2018 (both days inclusive). Transfers received in order at the office of our Share Registrar, Central Depository Company, CDC House 99-B block B SMCHS, Main Shahrah-e-Faisal, Karachi by the close of business on Friday, October 19, 2018 will be treated in time for the entitlement of bonus shares to the transferees and to attend, speak and vote at the annual general meeting (AGM).

2. A member entitled to attend and vote at this meeting may appoint any other member as his/her proxy to attend and vote instead of him/her. A proxy must be a member of the Company. A proxy so appointed shall have such rights, as respects attending, speaking and voting at the Meeting as are available to the Member. The proxy shall produce his/her original Computerized National Identity Card (CNIC) or passport to prove his identity.
3. The instrument appointing a proxy and the power of attorney or other authority under which it is signed or a notarial attested copy of the power of attorney must be deposited at the Registered Office of the Company at least forty-eight (48) hours before the time of the meeting. Form of proxy in English and Urdu languages are attached to the notice of meeting sent to the shareholders.
4. Members who have deposited their shares into Central Depository Company of Pakistan Limited ("CDC") will further have to follow the under mentioned guidelines as laid down by the Securities and Exchange Commission of Pakistan.

A. For Attending the Meeting

- a. In case of Individuals, the account holder and/or sub-account holder and their registration details are uploaded as per the CDC Regulations, shall authenticate his/her identity by showing his/her original CNIC or, original Passport at the time of attending the Meeting.
- b. In case of corporate entity, the Board's resolution/power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the Meeting.

B. For Appointing Proxies

- a. In case of individuals, the account holder and/or sub-account holder and their registration details are uploaded as per the CDC Regulations, shall submit the proxy form as per above requirements.
- b. The proxy form shall be witnessed by two persons, whose names, addresses and CNIC numbers shall be mentioned on the form.
- c. Attested copies of the CNIC or the passport of beneficial owners and the proxy shall be furnished with the proxy form.
- d. The proxy shall produce his original CNIC or original passport at the time of the Meeting.
- e. In case of corporate entity, the Board's resolution/power of attorney with specimen signature shall be furnished (unless it has been provided earlier) along with proxy form to the Company.

5. CNIC/IBAN for E-Dividend Payment

The provisions of Section 242 of the Companies Act, 2017 require the listed companies that any dividend payable in cash shall only be paid through electronic mode directly into the bank account of designated by the entitled shareholders. Accordingly, the shareholders holding physical shares are requested to provide the Company's Share Registrar at the address given herein above, electronic dividend mandate on E-Dividend Form provided in the annual report and also available on website of the Company. In the case of shares held in CDC, the same information should be provided to the CDS participants for updating and forwarding to the Company. In case of non-submission, all future dividend payments may be withheld.

6. Zakat Declarations

The members of the Company are required to submit Declaration for Zakat exemption in terms of Zakat and Ushr Ordinance, 1980.

7. Circulations of Annual Reports through CD/DVD/USB/ Email

Pursuant to the Securities and Exchange Commission of Pakistan's notification S.R.O 470(I)/2016 dated 31 May, 2016, the shareholders of the company in its last annual general meeting had accorded their consent for transmission of annual reports including annual audited accounts, notices of annual general meetings and other information contained therein of the Company through CD or DVD or USB instead of transmitting the same in hard copies. The shareholders who wish to receive hard copy of the aforesaid documents may send to the Company Secretary / Share Registrar, the Standard Request Form provided in the annual report and also available on the website of the Company and the Company will supply hard copies of the aforesaid document to the shareholders on demand, free of cost, within one week of such demand. The shareholders who intends to receive the annual report including the notice of meeting through e-mail are requested to provide their written consent on the Standard Request Form provided in the annual report and also available on the Company's website: www.roshanpackages.com.pk

8. Unclaimed Dividend and Bonus Shares

Shareholders, who by any reason, could not claim their dividend or bonus shares or did not collect their physical shares, if any, are advised to contact our Share Registrar M/s Central Depository Company, CDC House 99-B block B SMCHS, Main Shahrah-e-Faisal, Karachi, to collect/enquire about their unclaimed dividend or pending shares, if any.

9. Video Conference Facility

Pursuant to the provisions of the Companies Act, 2017, the shareholders residing in a city and holding at least 10% of the total paid up share capital may demand the Company to provide the facility of video-link for participating in the AGM. The demand for video-link facility shall be received by the Share Registrar at the address given hereinabove at least seven (7) days prior to the date of the meeting on the Standard Form provided in the annual report and also available on the company's website.

10. Placement of Financial Statements

The Company has placed a copy of the Notice of AGM, Annual Separate and Consolidated Financial Statements for the year ended 30 June 2018 along with Auditors and Directors Reports thereon and Chairman's Review on the website of the Company: www.roshanpackages.com.pk

Statement of Material Facts under Section 134(3) & SECTION 166 (3) of the Companies Act, 2017.

This statement sets out the material facts pertaining to the special business to be transacted in the Annual General Meeting of the Company to be held on October 29, 2018.

Item 3 of the Agenda – Election of Directors

The term of office of the present Board of Directors of the Bank will expire on 03 November, 2018. In terms of Section 159 (1) of the Companies Act, 2017, the Board of Directors has fixed the number of elected directors at seven (7) to be elected in the Annual General Meeting (“AGM”) for the period of next three years.

The present Directors are interested to the extent that they are eligible for re-election as Directors of the Company.

Any person who seeks to contest the election to the office of a Director, whether he is retiring director or otherwise, shall file the following documents with the Company Secretary at the Registered Office of the company located at 325 GIII MA Johar Town, Lahore, not later than fourteen days before the date of AGM:

- a) Notice of his/her intention to offer him/herself for the election of directors in terms of Section 159(3) of the Act together with the consent to act as a director of the Company in Form 28 prescribed under the Act;
- b) A detailed profile along with office address as required under SECP’s SRO 634 (I)/2014 dated July 10, 2014.
- c) Declaration under Clause 3 of the Listed Companies (Code of Corporate Governance) Regulations, 2017 (“Regulations”) issued by the Securities and Exchange Commission of Pakistan (“SECP”);
- d) Declaration by Independent Director under Clause 6(2) of the Regulations;
- e) Declaration that he/she is not ineligible to become a director in terms of Section 153 of the Act;
- f) The candidate must be member of the company at the time of filing of his/her consent to act as director.
- g) A valid copy of CNIC/Passport.

Independent Directors will be elected through the process of election of directors in terms of Section 159 of the Act and they shall meet the criteria laid down under Section 166 (2) of the Act. The Board of Directors have proposed the name of Mr. Naveed Tariq and Miss. Ayesha Musaddaque Hamid as independent directors on the basis of their experience and they meet the laid down criteria.

In case of election of directors, the right to vote through postal ballot shall be provided in accordance with the provisions of the Companies (Postal Ballot) Regulations, 2018.

Item 4 of the Agenda: Issue of Bonus Shares to Members.

The Board of Directors have recommended issue of bonus shares in proportion of two (02) ordinary share for every ten (10) ordinary shares held by the Members (i.e. 20%) out of share premium account

in terms of the provisions of the Companies Act, 2017. The Directors are of the opinion that the Company has adequate balance in share premium account for capitalization of a sum of Rs 236,500,000 for issue of 20% bonus shares. After the issue of bonus shares, the paid-up share capital of the company will increase to PKR 1,419,000,000.

The directors have also proposed that the fractional entitlements shall be combined in the name of company secretary and the same shall be disposed of in the stock market and the proceeds thereof shall be paid to a recognized charitable institution as may be decided by the Chief Executive of the company.

The new ordinary shares when issued shall rank *pari passu* with the exiting ordinary shares of the Company.

The Directors are not directly or indirectly interested in this special business except to the extent of entitlements of bonus shares to be allotted to them and their spouses as shareholders of the company.

The following resolution is proposed to be passed as Ordinary resolution, with or without modification:

Resolved that:

- (i) A sum of Rs. 236, 500,000 be capitalized out of the share premium account of the Company and applied towards issue of 23,650,000 ordinary shares of Rs. 10 each to be allotted as fully paid bonus shares in the proportion of two (2) ordinary shares for every ten (10) held by the Members of the Company whose names appear on the Members' Register at the close of the business on 19 October, 2018.
- (ii) The bonus shares shall rank *pari passu* in all respects with the existing ordinary shares of the Company.
- (iii) In the case of members' entitlement to a fraction of a share, the Chief Executive be and is hereby authorized to consolidated the fractions into whole shares in the name of the company secretary and sell the same on the Pakistan Stock Exchange Limited and the proceeds so realized shall be paid to any recognized charitable institution, as may be decided by the Chief Executive of the Company.
- (iv) The Chief Executive Officer and Company Secretary be and are hereby jointly and/or severally authorized to give effect to this resolution and to do and cause to be done all acts, deeds and things that may be necessary or required for issue, allotment and distribution of the said bonus shares and payment of the sale proceeds of the fractional shares.

Item 5 of the Agenda: Approval & Authorization of Related Party Transactions

Since, the majority of the Company Directors were interested in the related party transactions carried out during the financial year ended June 30, 2018 with the following related party due to their common directorship and shareholding in the associated undertaking, therefore, these transactions have been placed before the members of the Company for their approval in the General Meeting.

The following resolution is proposed to be passed as Special Resolution with or without any modification:

“Resolved that following transactions carried out in the ordinary course of business with the Related Party during the financial year ended June 30, 2018 be and are hereby ratified, approved and confirmed.

Name of Related Party	Nature of Transaction	Rupees
Roshan Enterprises	Sale of Boxes	16.34 Million

Mr.Khaild Eijaz, Mr. Quasim Aijaz, Mr.Sadaat Aijaz, Mr.Zaki Aijaz directors are interested in transactions with Roshan Enterprises as they are partners in the related party. The shareholding of these directors in the company and extent of interests in Roshan Enterprises is detailed hereinafter.

The transaction referred to above were executed on arm's length basis in ordinary course of business at prices prevailing on the date of transaction. The transaction was duly approved by the board audit committee.

The Company shall continue to carry out transactions with the related party in its ordinary course of business during the year ending June 30, 2019 and till the date of next annual general meeting. The majority of the Directors are interested in these transactions, therefore these transactions with related party have to be approved by the shareholders.

In order to ensure smooth business operations, the shareholders may authorize the Chief Executive to approve transactions with related party during the financial year ending June 30, 2019 and till the date of next annual general meeting. However, these transactions shall be placed before the shareholders in the next AGM for their approval/ratification.

The following resolution is proposed to be passed as Special Resolution with or without modification:

“Resolved that the Chief Executive of the Company be and is hereby authorized to approve transactions to be conducted with the Related Parties in the normal course of business during the year ending June 30, 2019 and till the next annual general meeting.

Resolved further that these transactions shall be placed before the shareholders in the next annual general meeting for their ratification/approval.”

Mr.Khaild Eijaz, Mr. Quasim Aijaz, Mr.Saadat Aijaz, Mr.Zaki Aijaz directors are interested in transactions with Roshan Enterprises as they are partners in the related party.

Agenda 6: Investment in Roshan Enterprises by loan and advance

Roshan Enterprises is a associated company of Roshan Packages Limited (the “Company”) by virtue of common directorship/partnership interest. Mr. Khalid Aijaz Qureshi, Mr. Quasim Aijaz, Mr. Saddat Aijaz and Mr. Zaki Aijaz are common directors/partners in both the company/undertaking. A sum of PKR 122.722 million is due from the related party on account of normal trade credit. Roshan Enterprise now needs some time for payment of the outstanding amount and requested the Company to convert the outstanding into a long term financing for a period of two years and treat them as loans.

The Directors, sponsors and majority shareholders of the Company and their relatives have no interest, directly or indirectly, in Roshan Enterprises and the proposed investment except to the extent of their partnership interest that is as under:

Name	% of interest in Roshan Enterprises
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Directors

SADDAT AIJAZ	27
ZAKI AIJAZ	10
KHALID EIJAZ	
QURESHI	36
QUASIM AIJAZ	27

The Directors certify that they have carried out necessary due diligence for the proposed investment in Roshan Enterprises and duly signed recommendation of the due diligence report shall be available for inspection of members in the general meeting and health of the subsidiary is such that it will have the ability to repay the loan as per agreement.

Roshan Enterprises and its sponsors/partners have no interest in the Company or transaction except for their respective shareholdings in the Company, which is as under:

Name	# of shares held in Roshan Packages Limited
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Directors

Khalid Eijaz	17,325,000
Sadaat Aijaz	14,025,000
Zaki Aijaz	14,027,949
Quasim Aijaz	3,497,135

Latest audited accounts of Roshan Enterprises shall be made available for inspection of members in the general meeting.

Information under regulation 3 of the companies (Investment in Associated Companies or Associated Undertakings) Companies Regulations, 2017.

Ref. No.	Requirement	Information
I	Name of associated undertaking	Roshan Enterprises
	Basis of relationship	Common directors/partners
	EPS/Profit of last three years	Not Applicable being AOP no share capital. Profit for last three years 2017 :20,183,444 2016:32,322,534 2015: 29,023,178
	Breakup Value	Not Applicable being AOP no share capital

	Maximum Amount	Rs. 122,722,688 (Rupees one hundred twenty-two million seven hundred twenty two thousand and six hundred eighty-eight Rs.)			
ii	Amount of loans and advances	Rs. 122,722,688 (Rupees one hundred twenty-two million seven hundred twenty-two thousand and six hundred eighty-eight Rs.)			
ii	Purpose	To convert the trade receivable into long term loan and to earn return thereon.			
	Benefits	The Company will earn return on investment.			
iv	Details of existing loans and advances, receivable	PKR 122,722,688/-			
v	Financial position, including main items of balance sheet and profit and loss account of the associated company or associated undertaking on the basis of its latest financial statements as on June 30, 2017.	Equity And Liabilities	Rupees	Assets	Rupees
		Equity	217,973,186	Non-Current Assets	194,084,934
		Non-Current Liabilities	1,760,000	Current Assets	224,689,784
		Current Liabilities	199,041,533		
			<u>418,774,718</u>	Total	418,774,718
					Rupees
					627,323,190
					(580,273,951)
					47,049,239
					(16,798,744)
			(3,845,672)		
			26,404,823		
			(6,221,379)		
			20,183,444		
vi	Average borrowing cost of the investing company	Average barrowing cost 6.8% as on June 30, 2018. Kibor for 1 Year: 9.42%			

vii	Rate of interest, mark up, profit, fees or commission etc. to be charged	1 Year Kibor + 2% per annum. The markup shall be paid semiannually. It shall not be less than borrowing cost of the Company or Karachi Inter Bank Offered Rate (KIBOR) for the relevant period.
viii	Sources of funds from where loans or advances will be given	Company's own funds
ix	Where loans or advances are being granted using borrowed funds; justification for granting loan or advance out of borrowed funds; detail of guarantees/assets pledged for obtaining such funds, if any; and repayment schedules of borrowing of the investing company.	N/A
X	Particulars of collateral security to be obtained against loan to the borrowing company or undertaking, if any.	Being associated, collateral security is required.
xi	If the loans or advances carry conversion feature:	No
xii	Repayment schedule and terms of loans or advances to be given to the investee company.	Repayment of loan shall be made within 2 years of the approval by members. Mark-up shall be paid annually. Early Payment is allowed.
xiii	Salient feature of all agreements entered or to be entered with its associated company or associated undertaking with regards to proposed investment	Agreement will be executed once the shareholders approve the arrangement as per the terms and conditions disclosed to the members.
xiv	Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associate's company or associated undertaking or the transaction under consideration:	The interest of directors etc., has been detailed herein above.
xv	Any other important details necessary for the members to understand the transaction:	The amount receivable from the associated is being converted into loan so no cash outflow will be made

The following resolution is proposed to be passed, with or without modification:

“Resolved that approval of the members of Roshan Packages Limited (the “**Company**”) be and is hereby accorded in terms of Section 199 and other applicable provisions of the Companies Act, 2017, and the Company be and is hereby authorized to convert the trade receivable of PKR 122,722, 688 (Rupees one hundred twenty-two million seven hundred

twenty two thousand and six hundred eighty-eight Rs.) from Roshan Enterprises, an associated company, by way of loan and advance for a period of two years starting from the date of approval by the members at markup rate of 6-months KIBOR plus 2% per annum (which shall not be less than borrowing cost of the Company or Karachi Inter Bank Offered Rate (KIBOR) for the relevant period, and as per terms and conditions disclosed to the members.

Resolved Further that the Chief Executive Officer and/or Chief Financial Officer and/or Company Secretary of the Company be and are hereby singly empowered and authorized to do all acts, matters, deeds and things, take any or all necessary actions including signing and execution of agreement(s) and to complete all legal formalities as may be necessary or incidental expedient for the purpose of implementing the aforesaid resolutions.

Statement Under Rule 4(2) of the Companies' (Investment in Associated Companies or Associated Undertakings) Regulations, 2017

Name of Investee Company	Roshan Sun Tao Paper Mills (Pvt) Limited
Total Investment Approved:	For Equity: up to 506.4 Million For Loan and advances: 260 Million
Amount of Investment Made to date:	For Equity: Nil For Loan and advances: 82.97 Million
Reasons for deviations from the approved timeline of investment, where investment decision was to be implemented in specified time:	The said approval was taken for five years. So, there is no such deviation.
Material change in financial statements of associated company or associated undertaking since date of the resolution passed for approval of investment in such company:	M/s Shang Dong Youngati Paper Mills Limited (SDYPL), a shareholder of M/s Roshan Sun Tao Paper Mills Limited, a subsidiary of the Company, has filed a petition in the Lahore High Court, Lahore for winding up of Roshan Sun Tao Paper Mills Limited. The Company has also been made a respondent in the petition. The Company has filed a specific performance suit against Ms. Shandong Yongtai Paper Mills Limited (hereinafter 'SYPML') in order to enforce provisions of the shareholder agreement entered into between the Company and SYPML requiring transfer of shareholding held by SYPML in Roshan Sun Tao Paper Mills (Private) Limited (subsidiary company) to the Company as a result of SYPML's breach of substantial terms of the shareholder agreement. The management is confident that the petition in high court for winding up will be dismissed as the Company being majority shareholder is fully committed to the investment plan of the subsidiary for its paper mill project. There is no material changes in the financial statement of the subsidiary since the date of resolution passed by the shareholders.